

# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Engrossed House Bill 1029 be amended to read as follows:

1           Page 3, between lines 28 and 29, begin a new paragraph and insert:  
2           "SECTION 3. IC 6-1.1-19-8, AS AMENDED BY P.L.1-2005,  
3           SECTION 90, IS AMENDED TO READ AS FOLLOWS  
4           [EFFECTIVE UPON PASSAGE]: Sec. 8.

5           (a) A school corporation must file a petition requesting approval  
6           from the department of local government finance to incur bond  
7           indebtedness, enter into a lease rental agreement, or repay from the debt  
8           service fund loans made for the purchase of school buses under  
9           IC 20-27-4-5 not later than twenty-four (24) months after the first date  
10          of publication of notice of a preliminary determination under  
11          IC 6-1.1-20-3.1(2), unless the school corporation demonstrates that a  
12          longer period is reasonable in light of the school corporation's facts and  
13          circumstances. A school corporation must obtain approval from the  
14          department of local government finance before the school corporation  
15          may:

- 16               (1) incur the indebtedness;  
17               (2) enter into the lease agreement; or  
18               (3) repay the school bus purchase loan.

19          This restriction does not apply to ad valorem property taxes which a  
20          school corporation levies to pay or fund bond or lease rental  
21          indebtedness created or incurred before July 1, 1974. **In addition, this**  
22          **restriction does not apply to a lease agreement or a purchase**  
23          **agreement entered into between a school corporation and the**  
24          **Indiana bond bank for the lease or purchase of a school bus under**  
25          **IC 5-1.5-4-1(a)(5), if the lease agreement or purchase agreement**  
26          **conforms with the school corporation's ten (10) year school bus**  
27          **replacement plan approved by the department of local government**  
28          **finance under IC 21-2-11.5-3.1.**

29          (b) The department of local government finance may either approve,  
30          disapprove, or modify then approve a school corporation's proposed

1 lease rental agreement, bond issue or school bus purchase loan. Before  
 2 it approves or disapproves a proposed lease rental agreement, bond  
 3 issue or school bus purchase loan, the department of local government  
 4 finance may seek the recommendation of the tax control board.

5 (c) The department of local government finance shall render a  
 6 decision not more than three (3) months after the date it receives a  
 7 request for approval under subsection (a). However, the department of  
 8 local government finance may extend this three (3) month period by an  
 9 additional three (3) months if, at least ten (10) days before the end of  
 10 the original three (3) month period, the department sends notice of the  
 11 extension to the executive officer of the school corporation. A school  
 12 corporation may petition for judicial review of the final determination  
 13 of the department of local government finance under this section. The  
 14 petition must be filed in the tax court not more than forty-five (45) days  
 15 after the department enters its order under this section.

16 (d) After December 31, 1995, the department of local government  
 17 finance may not approve a school corporation's proposed lease rental  
 18 agreement or bond issue to finance the construction of additional  
 19 classrooms unless the school corporation first:

- 20 (1) establishes that additional classroom space is necessary; and
- 21 (2) conducts a feasibility study, holds public hearings, and hears  
 22 public testimony on using a twelve (12) month school term  
 23 (instead of the nine (9) month school term (as defined in  
 24 IC 20-30-2-7)) rather than expanding classroom space.

25 (e) This section does not apply to school bus purchase loans made  
 26 by a school corporation which will be repaid solely from the general  
 27 fund of the school corporation.

28 (f) A taxpayer may petition for judicial review of the final  
 29 determination of the department of local government finance under this  
 30 section. The petition must be filed in the tax court not more than thirty  
 31 (30) days after the department enters its order under this section."

32 Renumber all SECTIONS consecutively.

(Reference is to EHB 1029 as printed February 24, 2006.)

---

Senator KENLEY